



Farm Produce Insurance Authority

PO Box 30017, Lansing, MI 48909

Don Koivisto,* Chair
Michigan Department of
Agriculture

January 7, 2008

TO ALL MICHIGAN GRAIN DEALERS:

*Representing General Farm
Interests:*

Mr. Carl Bednarski, Vice Chair
Caro, MI

Ms. Carmen Cousino
Temperance, MI

Mr. Derek Lecronier
Freeland, MI

*Representing
Soybean Producers:*

Mr. Lyle Lecronier
Freeland, MI

*Representing
Agricultural Lenders:*

Mr. Mark Stoeckle, Treasurer
Cass City, MI

*Representing
Corn Producers:*

Mr. William Lynn Uphaus
Manchester, MI

*Representing
Dry Bean Producers:*

Mr. Gene Van Driessche
Bay City, MI

*Representing
Grain Licensees:*

Mr. Arthur A. Loeffler*
Frankenmuth, MI

The Farm Produce Insurance Authority (FPIA) was established on November 7, 2003 (PA 198 of 2003) to protect farmers in the event of a farm produce dealer's financial failure. The assessment period started on January 1, 2005. On November 14, 2007 the FPIA took board action to stop collection of FPIA assessments for all farm produce settled on or after January 1, 2008, as projections show that the fund will reach \$5 million prior to December 31, 2007.

As of January 1, 2008, licensed grain dealers must:

- ♦ **Stop collection of a two-tenths percent (.002) premium from the net proceeds of all farm produce settled on or after January 1, 2008.**
- ♦ **Continue to collect a two-tenths percent (.002) premium from the net proceeds of all farm produce settled on or prior to December 31, 2007, for producers that defer payment to 2008.**
- ♦ **Remit on a quarterly basis all producer premiums collected from farm produce transactions settled on or before December 31, 2007 to FPIA, PO Box 673347, Detroit, MI 48267-3347.**
- ♦ **Document and maintain records of the premiums paid by the producer.**

Please Note:

FPIA assessments will not restart until the FPIA certifies that the Farm Produce Insurance Fund is below \$3 million or that a failure has occurred with obligations greater than the value of the fund. The Michigan Department of Agriculture (MDA) will continue to perform all audit and inspection functions. Audits will consist of verification of the calculation, collection, and remittance of the appropriate premiums.

For a copy of PA 198 of 2003, a list of current licensed grain dealers or forms, please visit www.michigan.gov/graindealers. If you have any questions, please contact me by phone at (517) 241-2865 or by email at haarerj@michigan.gov.

Sincerely,
Jeff G. Haarer, CPA, JD
Producer Security Services Section

*Non-voting member